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SUPPORT BULLETIN

FOR INFORMATION OF HEADQUARTERS
AND FIELD PERSONNEL

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PURPOSE

The Support Bulletin, published periodically, is designed to keep headquarters and field personnel informed on administrative, personnel, and support matters. The Support Bulletin is not directive in nature but rather attempts to present items which, in general, are of interest to all personnel and, in particular, of interest to those employees occupying various support positions. Suggestions and constructive criticism from both headquarters and field personnel are encouraged.

NOTE: — This bulletin is *for information only*. It does not constitute authority for action and is in no way a substitute for regulatory material.

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FIELD APERTURE CARD SYSTEM

For several years headquarters has been planning and working toward the development of a highly mechanized system for the storage and retrieval of information about personalities of interest to the Organization. For a great many reasons too complex to be related here, the system has evolved around the location and retrieval of documents. Because the system is conceptually new, an extensive research and development program has been sponsored by the Organization for the development of equipment to handle the problem. Part of this equipment will be ready for installation next spring and the rest is expected to be delivered about two years later. Meanwhile, a great deal of progress has been and is being made toward preparing our record system for conversion to the automated system as each unit of equipment becomes available.

For several years we have been microfilming indexed documents as they have been called forth from the files and we are continuing this practice. In addition, since January 1962 all incoming indexed documents have been microfilmed. By the time all of the equipment is completely installed we expect to have reduced substantially the need to consult hard copy document files, and eventually this need will be virtually eliminated.

Instead, a microfilm aperture card will be used. The aperture card is an IBM punched card containing a strip of film on which document page images appear. It incorporates coded (punched) data which permits machine processing at headquarters, and also printed data which allows manual search and handling. The page images are viewed on desk readers in approximately the original size.

Headquarters is already realizing substantial savings in space and manpower through unification of our largest record system and through improving the system preparatory to full mechanization. Proportionate savings can be realized in field record collections through adoption of the field aperture card system. This system has been tested exten-

sively at headquarters and one field station, and a number of other stations are rapidly being prepared for its installation. Gradually the program will be extended to most of our field stations and bases. The aperture card is expected to become a significant part of the field record system and the principal means by which field requests for documents will be satisfied by headquarters.

Preparatory to the introduction of the system at additional stations, headquarters will furnish a complete description of it and provide instruction manuals for its implementation. The conceptual and operating simplicity of the aperture card system is such that it can be successfully installed entirely through the normal correspondence and pouch channels. TDY visits to stations will not normally be necessary. All necessary information will be sent to stations in ample time to permit their familiarization with the scheme and resolution of questions before it is actually installed as an integral part of the field record system and of the correspondence exchange between headquarters and the field.

SAFE DRIVER AWARD CEREMONY

At the first annual Safe Driver Award ceremony on 15 September 1962, the Director of Logistics presented awards to 49 drivers. The combined records of these drivers represented a total of 408 years of safe driving.

The Transportation Division, Office of Logistics, with the cooperation of the National Safety Council, developed the award program to recognize the safe driving accomplishments of drivers employed in the headquarters complex. The drivers receive National Safety Council awards and certificates for each year of driving without a preventable accident. These are recognized nationwide as evidence of professional driver competence. Special awards are also given for five, ten, and fifteen year safe driving records. Sixteen of the 49 drivers received the special awards for safety records extending ten or more years.

PAY REFORM LEGISLATION

"The new Federal pay reform measure is one of the most far-reaching and enlightened pieces of Federal personnel legislation enacted since the Classification Act of 1923," John W. Macy, Jr., Chairman of the Civil Service Commission, said in a press release on 11 October 1962.

"This is not just another pay raise," Mr. Macy said. "It is a reform measure, long overdue, which will have immediate and long-lasting impact on Government administration and programs because it:

- establishes a system which can control payroll expenditures with equity to both the Federal employees and the taxpayers,
- provides the flexibility in salary needed to motivate and reward initiative and industry,
- is a first step in making Federal salaries high enough to attract and retain the best people, and
- gives a degree of executive discretion to meet individual and special needs in the salary area."

The reform measure is based on two principles: comparability of Federal salaries with those of private enterprise for the same level of work, and internal alignment of salaries to provide equal pay for equal work and pay distinctions in keeping with distinctions in job responsibility and performance. The salary levels of the four major statutory pay plans, the Classification Act, the Postal Field Service Compensation Plan, the Foreign Service Act, and the Medical-Dental-Nursing Salary System in the Veterans Administration, are to be interrelated. They cover about 1,600,000 Federal employees.

As a first step in achieving comparability between Federal and private-enterprise salaries, the new law provides an average upward salary adjustment of slightly more than 11 percent over present pay rates for postal employees and about 10 percent for persons under the other three major pay systems.

The adjustment is provided in two steps, the first of which went into effect in October 1962 and the second to be effective 1 January 1964. Although the final annual cost of the salary adjustment is \$1,049,000,000, the cost for the current fiscal year will be only \$504,000,000. The increases were phased over two fiscal years in order to prevent undue budgetary and economic impact in any one year. The first raise is the largest in most grades.

Increased comparability of Federal Government and private-enterprise salaries is expected to be achieved over a period of time through use of the Bureau of Labor Statistics' salary surveys. The annual survey assembles the national average rates of pay for about 70 occupational classes on the basis of salaries in about 80 metropolitan areas. The salary survey of 1960-1961, upon which the pay adjustments in the new law are based, showed that Federal Government salary averages were less than the national average rates in all but a few occupations. In all but the lower grades the salary adjustment in the new law still does not make Federal salaries currently comparable with those in private enterprise. Under the new law, the President will report annually to Congress on the comparison of Federal and private-enterprise salaries as revealed by the BLS surveys.

The principle of internal alignment requires that there be equal pay for equal work and that salaries reflect distinctions in job responsibilities and performance. The new law revises the trend of the last 34 years, during which the salary schedules of Federal employees were compressed. For example, in 1928 the ratio of the highest Classification Act salary to the lowest was 8.8 to 1. Just before the passage of the new law it was 5.8 to 1. The new measure will change the ratio to 6.1 to 1 in the first phase of the salary adjustment. However, the Senate Committee on Post Office and Civil Service has urged the President to recommend for consideration at the next session of Congress appropriate increases in Federal executive salaries at all levels, including further adjustments at the upper grade levels.

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The new measure brings an orderly relationship among the four major pay systems by equating certain key jobs in the pay systems on the general basis of duties and responsibilities and qualifications required of persons to fill the jobs. For example, under this procedure, Classification Act grades of GS-5, 11, and 17 are considered equivalent to Postal Service jobs at the PFS-4, 11, and 20 levels. Since Classification Act positions can be compared with private-enterprise salaries, this equating of jobs in the other pay systems to those in the GS schedule permits the principle of comparability to be applied to Federal positions which have no private-enterprise counterparts.

Other key reforms brought about by the new measure:

- Provide broader authority to adjust minimum rates of pay when special disparities between Federal schedules and private-enterprise salaries handicap recruitment or retention of well-qualified employees. These higher minimums can be set for any group of positions under any of the four salary systems on a nationwide basis or in a particular geographic location. In addition, when the minimum rate is advanced all step increases in the grade may be advanced to retain the distinction between levels with the limitation that the minimum cannot be set higher than the 7th step of the grade and the maximum cannot exceed \$20,000.
- Improve the method of granting within-grade increases for positions under the Classification Act. Waiting periods for within-grade increases in all grades are now the same: one year in steps 1, 2, and 3; two years in steps 4, 5, and 6; and three years in each remaining step. Thus the increases will be most frequent when proficiency on the job normally increases most rapidly. This will bring employees in grades GS-1 through GS-10 to the top of their grades in 18 years, grades GS-11 through GS-14 in 15 years,

grade GS-15 in 12 years, and grades GS-16 and 17 in 5 years. GS-18 has only one rate. Step increases can be withheld by agencies from any employee who is not operating at an acceptable level of competence at the time he is eligible for the increase. Conversely, agencies can grant additional within-grade increases to employees whose performance is superior. The law allows giving such increases not oftener than once a year in order to reward and encourage high quality performance. The Civil Service Commission will develop regulations, in consultation with agencies and employee organizations, for guidance in this area. Agencies may not grant quality increases until the Commission's regulations are issued.

- Increase the number of GS-16, 17, and 18 grades available by exempting professional research engineering positions and professional positions in the physical and natural sciences and medicine and providing for an additional 411 positions in these grades in other job areas.
- Provide more liberal minimum benefits in promotions by authorizing a salary increase at least equivalent to two within-grade increases in the grade from which the employee is promoted. For example, an employee in the 9th step of GS-6, whose salary is \$6,395 and whose within-grade increases are \$170, would be promoted to a step in GS-7 that is at least \$340 (twice the \$170 within-grade increase) more than his \$6,395 salary. In this case, the employee would be promoted to the 8th step in GS-7, \$6,835.

In response to questions already received on the newly enacted Federal pay legislation, and in anticipation of still further questions, the Civil Service Commission has prepared the following questions and answers for the information and guidance of Federal employees.

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Q. Why is the new pay law called "salary reform" instead of a "pay raise"?

A. Increasingly over the years, Federal salary systems have failed to meet the needs of the Federal service. President Kennedy has said that Federal employee salaries "should be fixed under well-understood and objective standards, high enough to attract and retain competent personnel, sufficiently flexible to motivate initiative and industry, and comparable with the salaries received by their counterparts in private life. To pay more than this is to be unfair to the taxpayers—to pay less is to degrade the public service and endanger our national security."

Q. How does the new pay law measure up to the President's criteria?

A. To meet the President's criteria for a Federal pay system, Public Law 87-793 is based upon the two principles,

- (1) *comparability* of Federal and private enterprise salaries for the same levels of work, and
- (2) *internal alignment* that provides equal pay for equal work and pay distinctions in keeping with distinctions in work and performance.

The law provides raises in varying size for employees in the four statutory salary systems affected. Rather than being "just another pay raise," however, revised salary schedules go a long way toward making a reality of the much-needed comparability between public and private salaries. *Significantly, the law also establishes a policy for annual review of salaries to assure continued comparability between public and private salaries.*

Q. How is comparability achieved for the other statutory pay scales?

A. Salaries of the other statutory pay systems are linked with those of the Classification Act at certain key levels. This was done in most cases on the basis of evaluations of duties, responsibilities, and qualification requirements. Also taken into consideration were opportunities for advancement (or lack

of them), career patterns, and special requirements of the service concerned. These other factors were particularly important in setting the pay at the lower levels of the Postal Field Service, where opportunities for advancement are limited and many employees spend their entire working lives in one grade.

Q. Will the yearly review be made in the same way?

A. Yes. The basis will be a Bureau of Labor Statistics survey, which will be made yearly. The yearly review of statutory pay scales is considered to be an important reform. First, it places the review of salaries on a regular, systematic basis. Also, up to now no adequate national salary surveys have been available, and the revision of these pay scales has had to be done with very little fact-finding.

Q. Will revisions of the proposed pay scales take place automatically as a result of the BLS findings?

A. No. The results of future annual surveys will be reported to the President, who (after obtaining views of employee organizations) will thereupon make recommendations for any changes he considers necessary and submit them to the Congress. Putting these recommendations into effect will require legislation.

Q. How much in the way of increases does the new pay scale provide?

A. The percentage increases generally are greater at the higher than at the lower levels, ranging from 4.7 percent in grade GS-1 (including the additional within-grade increases granted on conversion) to 10.5 percent at grade GS-17. This is because salaries of higher grade positions have lagged the farthest behind national levels. For example, the percentage increases since 1939 have been 152 percent in the statutory minimum salary of GS-1, 117 percent in GS-5, and 155 percent in the statutory minimum for clerk-carrier—but only 98 percent in GS-11 and 71 percent in GS-15. This has seriously compressed the salary systems.

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Q. In converting a General Schedule employee to the new pay scale, how will it be determined what step he will be in?

A. He will go in the corresponding step. For instance, if he was in the fourth step of GS-5, he will go in the fourth step of the new GS-5.

Q. What if he was in a longevity step?

A. The longevity steps, which followed the regular seven steps in most grades, may be numbered 8, 9, and 10 for convenience. A person formerly in the first longevity step will go to step 8, a person in the second will go to step 9, etc.

Q. What is the size of the within-grade increases?

A. They range from \$105 per year in grades GS-1 and 2 to \$515 in grade GS-15 in 1964.

Q. The new law provides that an employee will receive on promotion an increase equivalent to at least two within-grade increases in the grade from which he is promoted. What size increase would an employee receive when promoted from grade 3, where the within-grade steps are not all equal?

A. To meet this special situation, employees in grade 3 at the time of promotion receive a minimum of two within-grade increases in the following way: (1) employees in steps 1 through 4—\$210; (2) employees in step 5—\$215; (3) employees in step 6—\$235; (4) employees in step 7 or above—\$250.

Q. Does the pay reform law continue to provide longevity steps?

A. In effect, yes, although they are not so named. Instead of 7 steps to the top of the grade in GS-1 through GS-10 and then 3 longevity steps, for example, the new law provides 10 regular steps. This eliminates the requirement for 10 years in grade in order to be entitled to the first longevity step, a provision that caused inequities to employees who, on promotion, entered a grade at an intermediate step.

Q. How about employees who had been in the seventh step of the grade for a long time but who were prevented from getting longev-

ity steps because they had been in the grade for less than 10 years?

A. They will be converted to the corresponding step, and then their time in the 7th step will be applied toward the time requirement for the next step. For example, a person who had served 4 years in the top (seventh) step of GS-5 will be put in the 7th step of the new grade 5, then moved to the 8th because he had served the 3-year service requirement for that step. However, the extra year will not count toward his 3 years for moving up to the 9th step.

Q. How would the conversion affect employees in grades GS-12 to GS-17 who under the former system served 18 months in order to earn an increase?

A. They too will be put in the corresponding rates. For example, a GS-12 employee in the 2d step will be converted to the 2d step. If he has already served at least a year at the 2d step, he will be moved automatically to the 3d step. However, if he has already served less than a year, his conversion will be to the 2d step and, upon conversion, he will continue serving his 1-year requirement for the 3d step.

Q. Employees in grades 1, 2, and 3 are entitled to an extra within-grade increase when the law becomes effective. Employees in these grades who are in the top longevity step are, in effect, in the tenth step. On conversion, how will they be given an extra within-grade increase when there are only ten steps in the new salary schedule?

A. The law recognizes this situation by providing that such employees be paid at the highest rate of the grade plus an amount equal to the value of the maximum within-grade increase provided for that grade.

Q. There has been a lot of talk about within-grade increases being more difficult to obtain under the new law. Is this true?

A. They will no longer be automatic. Within-grade increases now will be granted, within the time requirements, where work is of an "acceptable level of competence," as determined by the head of the agency.

Q. What is meant by "acceptable level of competence" and who determines when work is of an acceptable level of competence?

A. Where specific work standards have been established for a position, the determination as to whether an employee's work is of an acceptable level of competence would ordinarily be made on the basis of whether the employee meets these standards. Generally, work of an acceptable level of competence denotes work of a degree above that typified by the marginal employee. To state it differently, work is not of an acceptable level of competence when quality or quantity of work is such that the employee concerned barely escapes removal from his position. Mere retention in the job does not justify the conclusion that work is of an acceptable level of competence. The actual determination of what is an acceptable level of competence is a responsibility of the employing agency.

Q. If an agency determines that an employee's performance does not meet an acceptable level of competence, what rights does the employee have?

A. First, an employee may request a reconsideration of the agency's determination that his work was not of an acceptable level of competence. If the determination upon reconsideration is favorable to the employee, the new determination replaces the earlier one and is effective as of the date of the earlier determination. Second, when an employee's work is determined not to be of an acceptable level of competence, the agency shall make a new determination within one year. If the new determination is favorable to the employee, the effective date for the within-grade increase is the first day of the first pay period beginning on or after the day the new determination is made.

Q. Does the new law contain a "saved pay" provision for employees who are downgraded for reasons beyond their control?

A. Yes. In fact, salary retention provisions have been liberalized in two respects. First, this protection has been extended to include

employees who are in positions in grades 16, 17, and 18. Second, the requirement for eligibility for salary retention—that is, that the employee served two continuous years "in the same grade or the same and higher grades"—has been changed to "in any grade or grades higher than the grade to which demoted."

Q. Will the new law correct the situation that sometimes occurred when a supervisor received no more or even less pay than some of his subordinates paid under another pay system?

A. Yes. The situation sometimes occurred when a supervisor was paid under the Classification Act and his employees were paid at wage-board rates. The new law authorizes raising his pay to any rate of his grade necessary to make his salary higher than the pay of his employees.

Q. Is any provision made for higher pay for shortage-category positions?

A. Yes. A more flexible method is now employed for attracting candidates for hard-to-fill positions. Instead of raising entrance pay above the minimum and leaving the maximum of the grade at the same level, a method of pay which reduced and sometimes eliminated incentives, the new pay bill provides for raising rates for the whole grade. For example, \$9,475 is the minimum and \$11,995 the maximum of GS-12, and if it is decided to raise the entrance salary for a certain job to \$10,735 (5th rate), an increase of \$1,260, each succeeding rate would be raised by the same amount for a total of the entire 9 rates, making the maximum \$13,255. In no case can the entrance salary be raised above the seventh rate of the grade.

Q. Under the new shortage-category salary tables, a professional engineer qualified to begin Federal employment at GS-11 will be paid \$8,575 per year, while a beginning medical officer, GS-11, will be paid \$9,105. Please explain why these starting salaries differ.

A. In order to avoid having entrance rates in shortage categories drop back below rates

the Commission had approved under its former authority, immediate action was taken to preserve these rates by moving them to the closest rate in the new schedule. The engineer and medical officer starting rates differ because, before the new pay reform act was signed, an engineer hired at grade 11 was entitled to the fourth rate of the grade, while a medical officer hired at grade 11 was entitled to the sixth rate of the grade. The difference came about because of differences in recruiting difficulty in the two professions; to enable the Government to hire engineers for GS-11 jobs it was necessary to pay the fourth rate, and, to hire medical officers, the sixth rate of the old scale.

Q. Are any changes made in the limitation on the number of positions in grades GS-16, 17, and 18?

A. Yes. Under the law, the number of positions authorized in these grades has been increased by 411, and professional engineering positions primarily concerned with research and development, and professional positions in the physical and natural sciences and medicine, are removed from this control.

Q. What happens to Public Law 313 salaries under the new law?

A. Positions, mostly scientific and professional, formerly paid under P.L. 313 and similar statutes, now have their salary range geared to the range of Classification Act grades GS-16 through GS-18, rather than to a specific dollar amount such as "not in excess of \$19,000."

Q. Why are salaries for positions in grades GS-16, 17, and 18 unaffected by the second phase?

A. The salaries in these three grades are closely related to the total problem of executive salaries. The needed salary adjustments for such positions are to be studied as a whole.

Q. What happened to the proposal regarding establishment of new grades GS-19 and GS-20?

A. The law does not provide for these two new grades, not because Congress disagrees with the proposal but, rather, because it believes that appropriate salary levels for the relatively few career positions of this order can be determined in a more appropriate manner in conjunction with a reform of top-level executive salaries. The Senate Post Office and Civil Service Committee, in fact, has urged the President to recommend increases in Federal executive salaries at all levels.

* * *

A look at other Government employee bills enacted into law this year shows that it was a very beneficial year for Federal workers.

Here are some of the bills passed by Congress this year and approved by President Kennedy:

HOUSE TRAILERS. Public Law 87-776, approved 9 October 1962, removes the statutory allowance ceiling of 20 cents per mile for employees transporting trailers or mobile dwellings when transferred from one official duty station to another.

LIFE INSURANCE. Public Law 87-611, approved 28 August 1962, allows unclaimed life insurance benefits to revert to the Federal Employees' Group Life Insurance fund.

POLITICAL ACTIVITY. Public Law 87-753, approved 5 October 1962, amends the Hatch Act to permit the Civil Service Commission, in case of violation, to assess a penalty of no less than 30 days' suspension without pay instead of the former 90 days.

RETIREMENT. Public Law 87-793, approved 11 October 1962, Part III "Adjustment of Annuities," provides for initial and long-range adjustment of annuities and for liberalization in survivor benefits under the Civil Service Retirement Act. The act provides 5 percent increases effective 1 January 1963, on all annuities then payable. Initial increases are applied on a descending percentage basis to all annuities commencing in the four-year period after 1 January 1963. The act removes the annuity increase ceilings of \$2,160 and

\$4,104 imposed by the 1952 and 1955 enactments. It increases from \$2,400 to \$3,600 that part of the designated base for survivor annuities to which the 2½ percent reduction applies. Automatic survivorship benefits to spouse are provided unless the retiring employee elects annuity without spouse survivor protection. The act establishes a long-range plan to take effect in 1964, under which civil service annuities will be increased automatically on 1 April of any year after cost of living has risen by 3 percent or more since 1962 or the year preceding the most recent increase. The act raises the maximum age for receipt of child-survivor annuity from 18 to 21 years in cases of children attending school.

TRAVEL. Public Law 87-566, approved 2 August 1962, amends the Government Employees' Training Act, to restore to Foreign Service employees of the Department of State and Presidential appointees travel authority to attend meetings at Government expense.

CONFLICT OF INTEREST. Public Law 87-849, approved 23 October 1962, strengthens, revises, and simplifies existing Federal conflict-of-interest laws, and makes appropriate general provision for consultants and temporary employees in the executive branch, the independent agencies, and the District of Columbia. It integrates the conflict-of-interest laws with recodified prohibitions on bribery and graft.

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THE MAKING OF AN ADMINISTRATOR

"Just what are the attributes that make a good administrator?" asked Clarence B. Randall in the September 1962 issue of *Dun's Review*. First of all, Randall says, he must be endowed with a clear and analytical mind. This does not mean that he should have a photographic memory with the ability of total recall which has caused many mediocre people to be overrated. On the contrary, he must be able to deal logically and systematically with abstract ideas. He must be able to distin-

guish the relevant from the irrelevant and to separate the significant from the trivial.

Next, the administrator must be able to make a decision and stick to it, and he must have the sense of timing to know almost intuitively when the time is ripe to do so. Vacillation between alternatives is as lethal as is endless deferral for one more study or a new committee action. Almost every problem has alternative solutions and the differences cannot always be sharply drawn. When this occurs the important thing is for the decision maker to make his choice and get on with the job without prolonging the study and debate. Yet there must be consistency and a recognizable pattern in the evolution of policy from past to future.

The leader must be imaginative, gifted with ingenuity, and forcefully persuasive enough to make his dreams become realities through the efforts of his colleagues and subordinates. He must be an idea man, yet receptive to the ideas of others, which frequently he will have inspired himself. Regardless of the source of an idea, if it is good the administrator must foster it fervently and courageously. His courage, founded in humility and insight, must support him in acting in spite of known risks and recognizable pitfalls.

Ideas can only be meaningful and brought successfully to fruition if they are clearly and persuasively communicated to those who must carry them out. Before they can be communicated, however, either orally or in writing, ideas must be thoroughly understood. Knowledge must not be obfuscated by a morass of superfluous detail. "The man who has accumulated vast knowledge must learn to distill his erudition into a concentrate that can be assimilated readily by less sophisticated minds," Randall says.

A good executive must be able to delegate authority and exercise the self-discipline needed to permit someone else to perform ineptly a task for which the manager himself has a particular talent. The selection, training, and development of a team, one of whom will someday be his successor, is his primary

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SERVICE AWARDS

About a year ago the Director established a program to accord recognition to those persons who through their years of service have demonstrated they are dedicated career employees. It is planned to present a certificate of service after the tenth year of Organization employment and after the completion of each five additional years of service. The Organization seal on the certificate is colored blue for ten years, green for fifteen, and will be red for twenty, silver for twenty-five, and gold for thirty years of service.

At the time this program started in the fall of 1961, ceremonies were held in each of the major components. At each of these ceremonies the Director presented certificates to forty individuals representing all persons within the component who had completed ten or more years of Organization service.

The second annual presentation took place in the fall of 1962 to honor those persons who had completed ten years of service during the preceding year, and those who had completed fifteen years of service. The Director of Personnel, as Chairman of the Honor Awards Board, presided at the ceremony, which was held in the new auditorium and happened to be the first event held there. The Deputy Director of the Organization delivered an address and presented certificates to fifty-one employees representing the total group throughout the Organization who were eligible for ten-year awards. He also presented certificates to sixty-four persons representing those eligible for fifteen-year awards.

NEW OPPORTUNITIES FOR SELF-INSTRUCTION

Within the last thirty-five years the basis for some potentially revolutionary changes in training methods has been in the making in our psychological laboratories. At such places as Ohio State and Harvard University, behavioral scientists have been quietly experimenting with ways of speeding up the learning process. Most of their work has been done with rats, pigeons, and monkeys. But within the last few years, especially since 1958, behavioral scientists have at last begun making serious attempts to apply what they have learned to the classroom. The result has been the development of a whole new field of applied science that has exciting possibilities not only for greatly increasing the efficiency with which we learn but also for providing us with new opportunities for self-instruction.

This new field of applied science still answers to a variety of names, such as auto-instructional methods, teaching machines, programmed learning, and perhaps most commonly, programmed instruction. Underlying all of these terms are some surprisingly simple ideas. One of the most important has to do with the critical importance of determining, in advance, exactly what the student is to be able to *do* at the end of training. Is he to read nontechnical German with the aid of a dictionary? To load and unload a standard camera in the dark? To have no more than one main idea in a paragraph? The process of programing requires that all training objectives be identified and clearly described *in terms of student behavior*. Training specialists have known for decades how important it is to identify course objectives in this way, but it was not until the advent of programmed instruction that this critical point was given more than lip service.

Another idea of importance to instructional programing is breaking the subject matter down into *a great many small steps*, or frames. These frames are then arranged in such a

way that the student is led, one small step at a time, from the level where he was at the beginning of the course to the final behavior which the program is designed to teach him. Encouraged in this way, students have been found to master with little difficulty subjects which they had always thought they could never understand.

There are at least two other important ideas used by an instructional programmer. He forces his student to *participate actively* each step of the way. Usually he does this by asking a question which the student must answer, or leaving a blank which the student must fill in, before he is permitted to go on to the next frame. In addition, he provides his student with *immediate knowledge of results*. Not satisfied with more than a second or two delay, the programmer arranges his program so that the student automatically discovers, immediately after each step, whether he is right or wrong.

Perhaps a short excerpt from the U.S. Army Air Defense School's "Pocketschool Series" on basic mathematics will help to clarify these four basic ideas, or principles, of programmed instruction:

Frame #1

A decimal is just a whole number and a fraction written in decimal form. Thus, $2\frac{1}{2}$ is a whole number and a fraction, while 2.5 is a _____.

Note: The student writes his answer in the blank. When he has done this, he turns the page to see what the answer should have been. In this case, he finds the word "decimal." He then goes on to Frame #2. Programs are tried out many times during development and an effort is made to avoid ambiguities, too large steps, and so forth. So the chances are about 19 in 20 that, if you thought of the answer for Frame #1, you came up with "decimal."

Frame #2

Decimals are multiplied exactly like whole numbers and then the *decimal* place is added. The only difference between multiplying whole numbers and decimals is that for decimals you must find the _____ place.

Note: As before, the student writes his answer in the blank. Want to try it? Then cover the page below this paragraph with a piece of paper. When you have decided on an answer, move the paper down below the answer, which you will find on the next line.

Answer to Frame #2: decimal

Now go on to Frame #3.

Frame #3

Decimals are multiplied exactly like (a) _____. After multiplying a decimal, you must find the (b) _____.

Answer to Frame #3: (a) whole numbers (b) decimal place

Frame #4

The only difference between multiplying whole numbers and decimals is finding the _____.

Answer to Frame #4: decimal place

Frame #5

For example, you would multiply 25×25 in this way:

$$\begin{array}{r} 25 \\ \times 25 \\ \hline 125 \\ 50 \\ \hline 625 \end{array}$$

and 2.5×2.5 in this way:

$$\begin{array}{r} 2.5 \\ \times 2.5 \\ \hline 125 \\ 50 \\ \hline 6.25 \end{array}$$

The only difference is the _____ place.

Answer to Frame #5: decimal

Frame #6

The number of decimal places in a decimal is the number of digits (numbers) to the *right* of the decimal point. Therefore, there are 2 decimal places in 1.41 and _____ decimal place(s) in 1.4.

Answer to Frame #6: 1

Frame #7

The number of decimal places in a decimal is the number of digits to the _____ of the decimal point.

Answer to Frame #7: right

Frame #8

The number of decimal places in a decimal is the number of digits _____.

Answer to Frame #8: to right of decimal point

Frame #9

How many decimal places in 14.213? _____

Answer to Frame #9: 3

Frame #10

How many decimal places in 0.41? _____

Answer to Frame #10: 2

Although many of the principles used by programmers emerged from the scientific laboratory, most of them had already been intuitively used by good tutors. In fact, Dr. B. F. Skinner of Harvard University, who is outstanding among the scientists in the programming field, points out the many similarities which he has found between the learning principles underlying programming and those instinctively used by the really effective tutor. When you realize that good programs present material in much the way a good tutor does, you begin to understand why programmed materials have the advantage over such standard self-study materials as the textbook.

There is a large and quite convincing body of evidence that programed materials, when properly prepared, will teach not only faster but more effectively than even the best of textbooks. For example, the President of the Center for Programed Instruction in New York City, Mr. P. Kenneth Komoski, has reported that 74 of his students completed in two weeks a programed algebra course that, when taught by conventional classroom techniques (lecture, discussion, homework) required more than two months. As another example, at Hamilton College, programed instruction has cut a three-hour-a-week logic course to two hours while at the same time increasing the amount of material covered. Average grades have gone up from 63 to 86 percent and failure, normally the experience of 10 percent of the class, has been eliminated. These examples have been chosen more or less at random. There are dozens more.

Of particular interest to people in the field is the fact that many of the programs that have thus far been developed are being published much like regular textbooks, and are available for purchase on the open market. Over 100 programs are now for sale, in such subjects as stenosped, high school English, principles of debate, South American Spanish, statistics, geometry, algebra, trigonometry, calculus, music, and human physiology. Some of these are lengthy programs that have been thoroughly tested and have been shown to do a very effective job of teaching. Others are shorter and not so carefully prepared. Dozens of companies are now busily producing hundreds of additional programs in a wide variety of subjects, for students ranging from first grade through graduate school, and many of these materials should become available within the next year or two. Some of these programs can be expected to be of excellent quality and, therefore, of particular help to someone who must undertake the study of a subject on his own, without the help of an instructor.

It would take far too much space here to list and describe the many programs that are now on the market. Fortunately, however,

a catalog of all the programs in the educational field that were to be available by September 1962 can be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C., for \$1.50. ("Programs, '62," Publication No. OE 34015)

You may be wondering what teaching machines have to do with programed instruction. A teaching machine is merely a device for presenting a program and, as in the case of the example you have just seen, may not be needed at all. There is still a difference of opinion among professionals on the value of the machine, but several studies have failed to show any advantages of the machine over the "programed textbook." As a result, many companies are making programs available as programed texts, or are giving the purchaser a choice of buying either a machine-version or a textbook-version of the program. Some programs, however, are only available on machines, which may cost as much as several hundred dollars, and other programs require special equipment, such as a phonograph. For the forty-hour "Introductory Spanish" course being sold by Encyclopaedia Britannica Films, the student needs not only programed texts, but also several magnetic tapes, a tape recorder, and a foot pedal.

Perhaps the main difficulty today with programed materials is the limited number of programs on the market. Another serious objection is their cost. Although some programed textbooks, such as "English 2600," cost only three or four dollars, many are as high as ten or twelve dollars. Because of the large markets for programed teaching materials, however, especially for school subjects, it is quite likely that both these disadvantages will be largely overcome within the next few years.

In the meantime, our Organization has not been sitting on its hands. As far back as 1958, specialists in the Office of Training began looking seriously into possible applications of programed instruction to Organization training problems. By early 1959, an

OTR psychologist had begun devoting full time to programing the basic terminology and procedures in a field in which there were two hard-to-solve training problems: the need for near-perfection in performance, coupled with a sharply limited supply of qualified instructors. Later that same year, in response to growing need for speeded language training, OTR arranged under contract to develop a teaching machine capable of presenting the spoken sounds as well as the written words of a foreign language. As a natural sequence to this, OTR arranged for the preparation of a foreign language program for use in the machine.

In the fall of 1960, about the time when OTR appointed a full-time Specialist in Programed Instruction, the Office of Communications began experimenting with an instructional program bought on the open market. The results were so encouraging that OC has been using the program as a regular part of its curriculum for the last year and a half. No instructor is necessary, but the more than 200 students who have used the program have mastered the subject matter in about half the usual time.

In March 1961, OTR obtained under contract a top-flight team of experienced programmers to train two of the OTR staff in instructional programing. After about ten weeks of full-time effort, one trainee-programmer had produced enough material of basic importance to our analysts to keep the average student busy about three or four hours. The other trainee chose as his subject the observation and physical description of people. Over a period of several months, he developed, tested, and revised enough programed materials to keep his students at work an average of eleven hours. This program is now being evaluated by the OTR staff.

Last June, we signed a three-year contract with a leading programing organization, which has already begun several limited, feasibility studies. One of these projects, funded by OTR, is aimed at improving the sentence structure, paragraph organization, coherence,

and similar qualities, of Organization writers. One is intended to help speed the training of ballistic missile analysts, and another is to help teach document analysts to make proper use of a subject code. If the results of these projects are sufficiently encouraging, efforts will probably be made to program more material on each of these subjects.

If you wish further information about this rapidly developing field, direct your inquiry to the Director of Training, Attention: Specialist in Programed Instruction.

WE NEED YOU— AS A RECRUITER

The Organization's personnel requirements, as projected through fiscal year 1964, have necessitated several additions to the recruiting staff and a greatly intensified recruitment effort.

Twenty-seven additional recruiters are being brought into the program, seventeen to concentrate on candidates in professional categories and ten to specialize in the subprofessional or technical and clerical fields.

Recruitment territories are being realigned for nationwide coverage of colleges and universities as well as technical and secretarial schools, industrial, and commercial sources. The new program also envisions a wider use of newspaper and radio publicity and advertising and a well-organized campaign of on-campus interviews by officials of the Organization working in tandem with the recruiter to meet timely schedules arranged through the placement officials of the schools concerned.

A much faster and more decisive headquarters screening and selection procedure and shorter clearance time have been identified as imperative changes to be made in our overall recruitment technique if we are to compete effectively with private industry in the present manpower market, or, for that matter, if

we are to hold our own in direct competition with several other Federal agencies whose personnel needs are as acute as our own.

The Organization is determined in no way to lower its sights or standards in stepping up its search for new personnel. If anything, we are placing even greater emphasis upon attracting young, career-minded candidates, and the employment odds are weighted heavily in favor of the younger applicant aspiring to positions of significant responsibility earlier in his career than other employers can promise. This emphasis is entirely in keeping with the Organization's management concept of promotion from within and a policy of thrusting greater responsibility and authority upon the young careerist in every area of our activity. Accordingly, the older, more experienced applicant, however highly qualified and well-recommended he may be, must, in addition, possess qualifications or special skills that are in critically short supply.

In this personnel deficit situation, which is certain to be confronting the Organization for many months to come, it behooves all of us to turn recruiter, within the limits of individual cover security, of course. Your candidates, rest assured, will receive the most expeditious and careful consideration possible. Your referral, from within the Organization, not only would suggest special insight as to where the individual's talents might be used, but would indicate that you had examined both sides of the career coin before registering your conviction that both the individual and the Organization would have something to gain as the result of employment.

As a minimum screening level, it is requested that your candidate's qualifications be submitted to your branch chief for his endorsement before forwarding through channels to the Chief, Personnel Recruitment Division. Senior officers are asked not to apply too severely their own criteria in rejecting suggested candidates who, by more liberal standards, might qualify for employment. It is one of the more interesting peculiarities of our business that certain attributes which mili-

tate against an applicant's selection by one activity may favorably influence his selection by another.

One of the recruitment program's greatest needs in today's competition is for truly definitive statements of qualification requirements from components which need personnel. The process of defining precisely, and continually refining, meaningful details of qualifications desired in a prospective employee for a particular assignment or activity is an endless process indeed. Job specifications must change with functional progress itself, and our personnel requirements must keep pace, not stabilize. Much of our recruitment, however, has been too wide of the mark and given over to the "shotgun" approach. We must bring requirements and recruitment eye-to-eye on the target, and, if you will, rely more and more upon the rifleman technique. Nevertheless, until our sights are calibrated, we must continue to scan a wide spectrum of applicants.

In enlisting your services as a volunteer recruiter, we regret that we cannot give you more definitive guidance at this time on what to look for in a likely candidate for Organization employment. From time to time, we shall post on headquarters bulletin boards certain recruitment flyers being used in our campus and community campaigns. Keep in mind, also, that other components of the Organization may be interested in a given applicant's qualifications for a different purpose than that advertised in the recruitment flyer.

Please understand that your recommendation need not be in detailed biographic depth, but, rather, should simply relate the pertinent age, education, and experience (including military) data that would alert Personnel Recruitment Division (PRD) to the possibility of Organization interest in your candidate. Followup forms, interviews, etc., necessarily will depend upon advice from PRD that an Organization element has evidenced sufficient interest to warrant an official application.

Your personal interest in bringing new personnel into the Organization will be welcomed.

One of our best sources of recruitment always has been our own employees, hence this special invitation at this time when, more than ever before, we need recommendations and leads that will produce tangible results: well-qualified personnel pursuing interesting and rewarding careers.

A REPORT TO THE MEMBERS OF THE CREDIT UNION

The Credit Union continues to grow and expand its services. The financial report for 1962 will not be completed, of course, until February or March of 1963. Meanwhile, the most recent report for which complete figures are available is published here for the information of interested members.

The year 1961 proved to be another outstanding year for your Credit Union. A review of financial position at the year's end showed that some significant developments occurred during that period. Total assets increased \$965,000 to a new high of \$8,300,000. This places our Credit Union among the leaders in the United States. According to 1960 reports, there were a total of 9,905 Federal Credit Unions of which only 31 had assets of \$5,000,000 or more.

Share deposits increased by \$828,000 to a total of \$7,556,764. This increase in the Credit Union's capital funds provides a firm base for financial assistance to our members in the future. The total of loans to members outstanding at the end of the year also increased from \$5,000,000 in 1960 to \$5,623,000 in 1961.

Funds in excess of current requirements were kept fully invested throughout the year in deposits with Federally insured savings and loan associations and in loans to other Credit Unions. Total investments increased by \$300,000 from \$1,930,000 to \$2,230,000.

Earnings also continued to rise in 1961. Gross operating income increased by \$60,256 to a total of \$532,000. Net earnings rose from \$370,000 to \$414,000 for a gain of \$44,000. Operating expenses amounted to \$118,000 for

an increase of \$16,000. These expenses consumed 22.1 percent of the income dollar in 1961 as compared to 21.6 percent in 1960. The national average operating cost ratio for credit unions with assets of \$5,000,000 is 37.2 percent. Pursuant to the requirements of the Federal Credit Union Act, 20 percent of net earnings (approximately \$83,000) has been added to our reserve account to further protect the holdings of our members. The reserve fund now stands at \$380,000.

A 5 percent dividend was declared for 1961 by the Board of Directors and the members participated in a distribution of approximately \$331,000.

Although record highs were reached during the year, there are strong indications that Credit Union growth is leveling off. At the year's end the total number of accounts showed an increase of only 107 over the previous year. This rate of growth is less than $\frac{1}{3}$ of the average for the preceding three years. The rate of increase in loans also dropped off sharply. The dollar amount of loans made to members during 1961 was only 4.7 percent greater than in 1960, compared to the 1958-60 average increase of 22 percent annually. Thus, it would appear that a plateau has been reached and that future growth will be at a much slower pace.

Much time was devoted during the year by the Board members and staff to a review of operating policies, procedures, and systems. A new machine accounting system is to be installed which will speed up the handling of transactions and reduce waiting time at the tellers windows. The Credit Union is to be remodeled to provide more lobby space and eliminate the congestion, particularly on days of peak activity. For the benefit of our overseas members, a handbook is being prepared which will supply detailed information on the handling of financial transactions while away from headquarters.

We are planning to do everything possible to promote efficiency and economy in the operation of the Credit Union. Your suggestions for further improvements or additional services are invited.

CONFIDENTIAL

SB-23

THE SUGGESTION SYSTEM AND SOUND MANAGEMENT

Excerpts from an Address to the National Capital Chapter, National Association of Suggestion Systems by William D. Carey, Executive Assistant Director, Bureau of the Budget

The President has made it clear to his Cabinet that he expects a high standard of management-consciousness in this administration.

These are not empty words. He means what he says.

We are already at a very high level of peacetime budget expenditures. This year the administrative budget of the Government will be in the range of \$89 billion. Next year we will be over the \$90 billion mark. If we stay on our present course and hold Government spending to its present ratio of about 16 percent of the Gross National Product, simple arithmetic tells us that by 1970 we may see Federal spending as high as \$120 billion a year, based on a rising GNP.

What the President is saying is that he wants every additional dollar to yield full value. There will never be enough slack in our tax resources to take care of everything that it might be desirable for Government to do. We are facing an increasing need to call the shots accurately and in terms of priorities. And by the same token we have a duty to eliminate what isn't absolutely necessary for growth, stability, and security—and to find better ways of putting our money and our skills to work.

The President means business when he speaks of the need for creativity and ingenuity in a lively career service. He has given Administrators a vote of confidence to get the job done without arbitrary personnel ceilings and budget reductions. We know this job can be done.

A climate has been created in which innovation and initiative are being put to the test. There is no single source of good ideas. There is no one panacea for guaranteeing progress. The essential thing is that there be a climate, or environment, in which man-

agement at every level takes seriously its responsibility to increase efficiency and productivity, and to listen to ideas which are put forward, whether they come from without or within the Federal service. Last year 189,000 Federal employees came forward with workable suggestions for reducing costs or doing the Government's work more effectively. One wonders whether there were not just as many ideas that never saw the light of day, and one wonders why.

It could be that some government employees went at it quietly and talked with their supervisors about better ways of doing things, and sold them on the idea. In other words, perhaps the statistics don't tell the whole story. There are individuals who shy away from a suggestion system approach which requires them to submit an idea very formally and have it run a skeptical gauntlet with the eventual humiliation of having it turned down. Let's be frank in recognizing that we can put too much drama and ritual into the suggestion system approach, and it can actually scare people off rather than bring them to the well.

There are supervisors who are still skeptical about the suggestion system method of innovation. They look at the bare figures which show that only a fraction of the total number of suggestions are found to be deserving of recognition and awards. Their typical reaction is to say "My door's always open" (even though in fact it usually is closed and guarded by a dedicated secretary who bars the way to all but the elite). I give these executives credit for good intentions, but the plain truth is that they will never have the time to circulate among the employees and talk shop as they dream of doing. And so I say that the suggestion system, conducted in a dignified way and on an adult level, is a tested and proven way of fighting stagnation and promoting alert and restless and inventive public service. But at the same time, I agree that there should be alternative procedures for those who would prefer to use them.

I think there is no doubt whatever the President's goals for efficiency, economy, and

better utilization of manpower provide an exceptional opportunity for the incentive awards program to demonstrate the creativity and imagination of the career service. That should be the objective. We aren't out to prove by a mass of statistics that the suggestion system technique is perfect, but rather that the men and women who give their lives and talents to their country deserve the respect and confidence and thanks of their countrymen. So, let us couple the incentive awards program to the President's mandate, for mutual strength in a mutual cause. To all of you here who have done so very much to create this opportunity, and who have accomplished so much from sheer effort and conviction, I express thanks on behalf of all of us in the Executive Office of the President.

EARLY RETIREMENT LEGISLATION

For a number of years, this Organization has studied carefully the Civil Service Retirement Program as it applies to our personnel needs. It was determined that the retirement program for certain employees should be improved. Aside from the additional special requirements applicable to Organization employment, employees who serve overseas are

subject to essentially the same conditions of service which were the basis for the development of the Foreign Service Retirement System. Our study led to the conclusion that the adoption of a system similar to that of the Foreign Service would more nearly meet our own personnel requirements. Among other things, the Foreign Service Act has more adequate provisions for early retirement than the Civil Service Retirement Program.

A specific legislative proposal was prepared which would provide certain Organization employees with retirement benefits similar to those under the Foreign Service System. The proposal also included authorization for the Director to adopt and apply to certain of our employees other provisions of law which are presently applicable to Foreign Service personnel. A draft bill was cleared by the Bureau of the Budget, the Civil Service Commission, and other elements of the executive branch, and introduced in the House of Representatives by Representative Carl Vinson, Chairman of the Armed Services Committee. Hearings were held on the proposal by that committee, which was sympathetic to our objectives and offered some suggestions for changes in format and wording. However, the inevitable press on the Congress in the closing days of this session made it impossible for the committee to consider the bill further. We are working carefully on the proposal and it will be introduced again in the 88th Congress.

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